From Labor Market Information to Workforce Intelligence

Through the provision of the most frequent, accurate, and generally available data, labor market information is perhaps the most critical of all workforce intelligence. However, labor market information is limited in its need to protect employer confidentiality, industrial and geographic level of detail that is available and publishable, and timeliness (frequent releases, but varied lag times including one to two years). Content is also a limiting factor. For example, traditional definitions used in labor market information tell little about the "knowledge/new/innovation economy."

In addition to labor market information limitations, there are additional components of the workforce that must be analyzed in order to understand the full complexities of the regional labor market.

Major Components of Workforce Intelligence

Workforce intelligence views a region's workforce through not just its demand (current, historical, and projected employment and wages for industries and occupations, etc.), but also its current supply (labor force, age-race-gender, income, educational attainment, etc.), emerging supply (graduation and drop-out rates, student performance, teacher quality, etc.) and quality of life (housing, transportation, arts and culture, etc.).

Understanding Synergies Between Workforce and Economic Development

Today's challenging landscape includes the need to understand the synergies between workforce and economic development. Whether boom or recession, the need to understand the entireties of the workforce and labor market does not change. Regional policy makers and stakeholders are constantly seeking better and more timely information about their workforce so that they can make data-based decisions, and economic development boards and stakeholders are constantly seeking better information about the available pool of labor from which they can better promote the local area.

The Growth of Benchmarks and Indicators

Given the need for more varied and complex information, many states and local areas are turning to a benchmarking process that bring together a broad range of factors into one or more macro indexes. States are finding uses for indices about a variety of related topics including the new economy[1] and state higher education[2], among many others.

The Corporation for a Skilled Workforce has developed a series of comparative workforce indicators that feature ten macro level indicators built from over 40 different

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[1] 2002 State New Economy Index, Progressive Policy Institute (http://www.neweconomyindex.org/)

[2] Measuring Up 2002, The State by State Report Card for Higher Education, National Center for Public Policy and Higher Education (http://measuringup.highereducation.org/2002/reporthome.htm)

measurements. The macro level indicators include industries; occupations; unemployment and labor force; education and literacy; supply and demand alignment; workforce demographics and diversity; income and poverty; cost of living/housing; travel to work; and places to be.

Benchmarks and indicators allow for workforce areas to quickly ascertain competitive strengths and challenges relative to other areas. This can help hone in on priorities and identify areas of interest for further research. For example, if an indicator identifies a weakness in supply and demand alignment, additional research might be performed that analyzes how the growth of various industries or sectors relates to the development of various education and training or career awareness programs.

When Existing Data Is Not Enough

Often times in the development of workforce intelligence the answers being sought simply do not exist. There are a variety of questions for which new data must be generated. Being clear on what the question is might be the single most important factor in deciding what type of research to focus on. For example, analyzing transactional analysis from automated labor exchange provides one answer to the question "where are the jobs?" So too does a survey of employers. Yet, the answers are clearly different.

Types of primary research that might be conducted to gather workforce intelligence include: structured interviews (usually via telephone); mail, phone, or web surveys; focus groups; roundtables; case studies and best practices; and many others. Each method of research has its own advantages and disadvantages including price, time, and intensity of effort.

Types of questions for which little existing data is available:

➢ What are the significant skills in short supply in our labor market?

➢ What career ladders exist within and across companies?

➢ Why do employees choose certain occupations?

➢ What are employers' satisfaction with graduates of local education and training providers?

➢ What are the area's local and regional commuting patterns?

Measuring a Moving Target

Workforce intelligence needs to be constantly updated and upgraded. Today's answers are usually out-of-date and rear-view mirror perspectives. Regions must be proactive in identifying what information they are seeking and how they identify answers to their questions. Keeping in touch with human resource managers, career management professionals, and educators and trainers should be a key part of any strategy.